



DEPARTMENT OF THE AIR FORCE

HEADQUARTERS AIR FORCE SPACE COMMAND

MEMORANDUM FOR SEE DISTRIBUTION

23 Nov 99

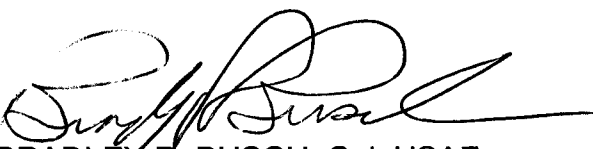
FROM: HQ AFSPC/LGCP
150 Vandenberg St STE 1105
Peterson AFB CO 80914-4350

SUBJECT: INFO.LTR 2000-02, Issuing Government Purchase Cards to Contractors

1. This information letter, INFO.LTR 2000-02, is directive in nature for all AFSPC contracting offices and is issued under Special Publication System, AFSPC 64-101, for Specialized Contracting Publications.
2. Currently, paragraph 3.7 of the "United States Air Force Internal Procedures for Using the International Merchant Purchase Authorization Card (IMPAC)" (AF Procedures), dated 28 Apr 97, allows for the issuance of Government purchase cards to contractors, which are supported by Government funding. However, SAF/GC is opposed to this practice. The AF Procedures, to date, have not been changed or amended to delete the allowance to issue cards to contractors. The AF Procedures are currently being revised and turned into an Air Force Instruction (AFI). The draft or final AFI (AFI 64-117) has not yet been released; however, it is anticipated that the option to issue cards to contractors supported by Government funds will be revoked, except in very special circumstances.
3. Therefore, all contracts which currently allow for the issuance of cards to contractors may continue to do so until the new AFI is approved. Further, these contracts shall be modified to include a cost reimbursement (CR) CLIN to cover supply items under the contract, if they do not already contain such a CLIN. Beginning with the next complete purchase card billing cycle (i.e., 26 March through the 25 April) after release of the AFI, these contracts shall be modified to delete the option to issue purchase cards to the contractor and the contractor shall be required to start billing against the CR CLIN. Card maintenance may continue on these contractor cards until the AFI is released; however, no new contractor card accounts shall be established. All new solicitations, where negotiations or agreement has not been finalized, shall be amended to eliminate the option to issue purchase cards to the contractor immediately. No Government funding supported purchase cards will be issued to any contractor in the future.
4. Currently, the GSA SmartPay Purchase Card contract allows for contractors to apply for a SmartPay purchase card providing the contractor has received approval from the Contracting Officer to use Government supply sources (see FAR 51.102). Once approval is received from the Contracting Officer, the contractor may apply, through GSA, to receive a SmartPay purchase card (see the "Request for Eligibility Determination" at <http://pub.fss.gsa.gov/services/gsa-smartpay>). The purchase card

account(s) is then established in the contractor's name. Contractor funds are the source of payment for this account(s). Therefore, the billing official is a contractor employee and no AF Form 4009 will need to be established for this account(s). The contractor will then claim the costs as a reimbursable item against the CR contract or CLIN. It is anticipated that this approach to issuing SmartPay purchase cards to contractors will be included in the finalized AFI.

5. If you have any questions, contact Ms. Terry Schooley, DSN 692-5169 or commercial (719) 554-5169. You may also contact Ms. Schooley by e-mail at "Terry.Schooley@Peterson.af.mil".



BRADLEY R. BUSCH, Col, USAF
Chief, Contract Division

cc:
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N-SPJ4P

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